



Testimony in Support of HB 4432

Good afternoon Mr. Chairman and members of the Committee. Thank you for allowing me to speak today in support of HB 4432.

My name is Karen Grannemann; I'm a Certified Club Manager and have been in the hospitality industry for 40 years. I'm the CEO & General Manager of the University Club of MSU here in Lansing. As a private club, we serve the 1,500 member families, as well as their guests, with private dining and their private banquet events. Very year, we hold hundreds of wedding receptions, business meetings, holiday parties, retirement parties, and other private functions in our private banquet rooms.

In this capacity, not having the ability to create hospitality packages that include both food and alcohol can be cumbersome, not only for me but for our customers as well. Everyone that plans an event at our establishment has a budget they'd like us to stick to. The majority of our customers don't understand the liquor laws and rules, so when we're not able to give them a set price on alcohol for their event it creates a lot of frustration and anxiety.

Take a wedding reception, for example. With the current rule, establishments can only quote and charge ahead for food while itemizing the sales of alcohol after. No one can predetermine how much a group of people will drink, therefore the client does not know if they will stay within a preset budget. They can feel like they've had the rug pulled out from under them when the cost of alcohol is presented after the event has taken place. This bad experience reflects poorly on us, even though it's outside of our control.

If we were able to offer packages for private gatherings that included the cost of alcohol per person per hour, our clients will be better prepared to stick to their budgets without any unexpected surprises after the event. We'd be able to provide a wonderful experience for our members, which means good word of mouth to promote our business.

As a liquor licensee, we are required to serve responsibly and make sure that intoxicated persons and minors are not served, and this responsibility would not be affected by the proposed legislation. If the appropriate exception is applied and stipulations laid out for me and other licensees, this will be to the benefit of all involved.

I'd like to thank you, Mr. Chairman and Committee members, for taking the time to listen to us today.

Sincerely,

Karen Grannemann, CCM
CEO and General Manager
University Club of MSU
East Lansing



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Good afternoon Mr. Chairman and members of the Committee. Thank you for allowing me to speak today.

My name is Scott Ellis, Executive Director of the Michigan Licensed Beverage Association and I'm here in support of HB 4432.

The intent of this bill is to allow establishments to sell "packages" for special functions such as weddings, fundraisers, etc.

To provide some background on why we support HB 4432, the MLCC Enforcement Division received a complaint that a licensee was pricing wedding packages for a set price per hour for alcohol. Currently, establishments can only quote and charge ahead for food while itemizing the sales of alcohol after. During the course of their investigation, Enforcement realized all of the private room establishments in the area were using this pricing method and were unaware this was against MLCC rules.

Shortly after that investigation, licensees in Petoskey and Traverse City heard about the rule and the MLCC quickly realized licensees with private hospitality rooms all over the state were using this package method and were also not aware of the rule.

After hearing from members, I began working with Rep. Lee Chatfield and the MLCC to draft a bill to place the rule language into statute and provide some criteria for these establishments to be able to continue to use their package pricing.

The proposed legislation would change the regulations to allow on-premises licensees that have separate meeting rooms, banquet rooms or outdoor service areas that are clearly marked and well defined to be able to charge by the hour per person for alcohol. This would only apply to private functions that are not open to the general public.

The licensee would be required to have a signed agreement between the host and the establishment and make it available to Liquor Control and law enforcement upon request. In order to meet the definition of "Private Function," the event must be prearranged, by invitation or reservation only; not open to the general public; and guests must be served in a service area or room that is well defined, clearly marked and is being used exclusively for the event. Licensees are still required to serve responsibly and make sure that intoxicated persons and minors are not served.

I'd like to thank you, Mr. Chairman and Committee members, for taking the time to listen to us today.

Sincerely,

Scott Ellis
Executive Director
Michigan Licensed Beverage Association